

UNITED STATES CIVIL SERVICE COMMISSION
BUREAU OF RETIREMENT AND INSURANCE
WASHINGTON 25, D.C.

ADDRESS REPLY TO
"U.S. CIVIL SERVICE COMMISSION"
AND REFER TO

FILE RH:HEH:REF:jf
AND DATE OF THIS LETTER

November 30, 1960

TO INSURANCE, RETIREMENT, AND HEALTH BENEFITS OFFICERS

SUBJECT: Life Insurance and Retirement Withholdings and Contributions

This is to inform you that changes in the method of reporting Federal Employees' Group Life Insurance and Civil Service Retirement withholdings and contributions have been considered. The reporting of Health Benefits withholdings and contributions to the Bureau of Retirement and Insurance by each payroll office each pay period, accompanied by a check or checks, has proven to be a most satisfactory procedure. Many agencies have expressed the opinion that this procedure should also be made applicable to the life insurance and retirement withholdings and contributions.

We have reviewed with the General Accounting Office the possibility of having a single reporting form and that office is in favor of such a form. We have discussed with the Treasury Department the advisability of requiring checks rather than the present procedure for making credits to the Employees' Life Insurance Fund and the Civil Service Retirement and Disability Fund in the Treasury Disbursing area. The Treasury Department favors the merging of the three classes of deductions into a uniform pattern.

Based on the foregoing, the Commission in cooperation with the General Accounting Office and the Treasury Department will shortly issue procedural changes to the present instructions covering the reporting of group life insurance and civil service retirement withholdings and contributions effective with the first payroll paid in April 1961. This memorandum is to give you and other interested members of your agency a basis for advance planning relative to such a significant procedural change.

The following time schedule may be of assistance to you:

- (1) Procedural changes in the Life Insurance Manual and in the Retirement Manual will be released in January 1961.

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C. T. Connelly
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- (2) Changes in Titles 6 and 7 of the GAO Manual for Guidance of Federal Agencies will also be released in January 1961.
- (3) Effective date of new procedure will be the first payroll paid in April 1961.
- (4) Standard Form 2812-102 should be ordered on a separate requisition by December 15, 1960 from Office Services Division, United States Civil Service Commission. (This is the only action required by this memorandum).
- (5) Forms will be distributed to agencies in the prescribed manner by February 1, 1961.

Present planning contemplates that the requirement for an annual report for life insurance required by the Life Insurance Manual will be rescinded and no annual report will be required after the calendar year 1960 report. The Annual Summary of Retirement Fund Transactions, SF 2807-2, required by the Retirement Manual will no doubt be continued, however. Even though each payroll office will be sending to the Commission each pay period the retirement withholdings and contributions applicable to that office, a consolidated agency Annual Summary of Retirement Fund Transactions will still be necessary for the calendar year 1961 and possibly future years.

A draft copy of revised Standard Form 2812, approved by the General Accounting Office, is attached in order for you to more readily understand the proposed change -- one check to cover withholdings and contributions for health benefits, life insurance, and civil service retirement from each payroll office each pay period. The number of employees covered under each program -- health, life insurance, and retirement -- will be required to be included on the reports covering withholdings and contributions for the last payroll PAID in June and December. These statistics will cover the number of employees participating in the program at that pay period only.

The General Accounting Office will prescribe the method of vouchering life insurance and retirement withholdings and contributions for those offices using a voucher and schedule for vouchering payroll payments. The General Accounting Office informs us that vouchering of these items will generally follow the vouchering of health benefits withholdings and contributions to disbursing officers. Credits by payroll offices to accounts 24 x 8135() and 24 x 8424() will be discontinued with the first payroll paid in April 1961.

The procedure providing for the use of forms RET 49-112D, Revised, and RET 49-112G, Revised, will be rescinded after the effective date for use of Standard Form 2812 as revised.

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Any inquiries about this memorandum may be made in the Washington area by calling Mr. Robert E. Findlay, Chief Accountant, on Code 129, Extension 5547.

Sincerely yours,

Andrew E. Ruddock

Andrew E. Ruddock
Director

See reverse side for draft copy of revised SF 2812

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*Number of employees covered REQUIRED on report covering withholdings and contributions for last payroll PAID in June and December. Reporting number covered for other pay periods is optional.

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